



Sarah
Flanagan/R2/USEPA/US
09/22/2006 08:39 AM

To Pat Badalamenti/R2/USEPA/US@EPA
cc
bcc
Subject Dana Bankruptcy Referral - Filed Proof of Claim

Pat,

In case you need a copy of the filed and stamped proof of claim in the Dana Corp. bankruptcy, which was the subject of my referral to DOJ #02-2006-2005, here it is!



Dana_Corp_-_filed-stamped_POC.PDF

02-2006-0005

FILE

FORM B10/Dana (Modified Official Form 10)

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK		PROOF OF CLAIM
Name of Debtor: Dana Corp.	Case Number: 06-10354	THIS SPACE IS FOR COURT USE ONLY
NOTE: Other than claims under 11 U.S.C. § 503(b)(9), this form should not be used to make a claim for administrative expenses, including attorney's fees, or to request payment of an administrative expense pursuant to 11 U.S.C. § 503(c).		
Name of Creditor (The person or other entity to whom the debtor owes money or property): US Environmental Protection Agency US Dep't of Commerce and Interior	<input type="checkbox"/> Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check box if you have never received any notices from the bankruptcy court in this case. <input type="checkbox"/> Check box if the address differs from the address on the envelope sent to you by the court.	
Name and address where notices should be sent: U.S. Attorney's Office- SDNY AUSA Russell M. Yankwitt 86 Chambers St., 3rd Fl, NY, NY 10007 Telephone number: (212) 637-2745		
Last four digits of account or other number by which creditor identifies debtor:	Check here <input type="checkbox"/> replaces if this claim <input type="checkbox"/> amends a previously filed claim, dated: _____	
1. Basis for Claim <input type="checkbox"/> Goods sold <input type="checkbox"/> Services performed <input type="checkbox"/> Money loaned <input type="checkbox"/> Personal injury/wrongful death <input type="checkbox"/> Taxes See Attached <input type="checkbox"/> Other _____		
<input type="checkbox"/> Retiree benefits as defined in 11 U.S.C. § 1114(a) <input type="checkbox"/> Wages, salaries, and compensation (fill out below): Last four digits of your SS #: _____ Unpaid compensation for services performed from _____ to _____ (date) (date)		
2. Date debt was incurred: See Attached	3. If court judgment, date obtained: See Attached	
4. Classification of Claim. Check the appropriate box or boxes that best describe your claim and state the amount of the claim at the time case filed. See reverse side for important explanations.		
Unsecured Nonpriority Claim \$ See Attached <input type="checkbox"/> Check this box if: a) there is no collateral or lien securing your claim, or b) your claim exceeds the value of the property securing it, or if c) none or only part of your claim is entitled to priority.	Secured Claim <input type="checkbox"/> Check this box if your claim is secured by collateral (including a right of setoff). Brief Description of Collateral: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other _____ Value of Collateral: \$ _____ Amount of arrearage and other charges at time case filed included in secured claim if any: \$ _____ See Attached	
Unsecured Priority Claim. <input type="checkbox"/> Check this box if you have an unsecured claim, all or part of which is entitled to priority. Amount entitled to priority \$ See Attached Specify the priority of the claim: <input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B) <input type="checkbox"/> Wages, salaries, or commissions (up to \$10,000),* earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4). <input type="checkbox"/> Contribution to an employee benefit plan - 11 U.S.C. § 507(a)(5). <input type="checkbox"/> Up to \$2,225* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).	<input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a) (____). *Amounts are subject to adjustment on 4/1/07 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.	
5. Total Amount of Claim at Time Case Filed: \$ _____ (unsecured) + _____ (secured) + _____ (priority) = See Attached (Total)		
If all or part of your claim is secured OR entitled to priority treatment, also complete the relevant portions of Item 4 above. <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.		
6. Credits: The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.	THIS SPACE IS FOR COURT USE ONLY SEP 21 P 4:01 S.D.N.Y. FILED BANKRUPTCY COURT	
7. Supporting Documents: Attach copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary.		
8. Date-Stamped Copy: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.		
Date 9/21/06	Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any): AUSA Russell M. Yankwitt	

02-2006-0005

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In particular types of cases or circumstances, such as bankruptcy cases that are not filed voluntarily by a debtor, there may be exceptions to these general rules.

— DEFINITIONS —

Debtor

The person, corporation, or other entity that has filed a bankruptcy case is called the debtor.

Creditor

A creditor is any person, corporation, or other entity to whom the debtor owed a debt on the date that the bankruptcy case was filed.

Proof of Claim

A form telling the bankruptcy court how much the debtor owed a creditor at the time the bankruptcy case was filed (the amount of the creditor's claim). This form must be filed with the clerk of the bankruptcy court where the bankruptcy case was filed.

Secured Claim

A claim is a secured claim to the extent that the creditor has a lien on property of the debtor (collateral) that gives the creditor the right to be paid from that property before creditors who do not have liens on the property.

Examples of liens are a mortgage on real estate and a security interest in a car, truck, boat, television set, or other item of property. A lien may have been obtained through a court proceeding before the bankruptcy case began; in some states a court judgment is a lien. In addition, to the extent a creditor also owes money to the debtor (has a right of setoff), the creditor's claim may be a secured claim. (See also *Unsecured Claim*.)

Unsecured Claim

If a claim is not a secured claim it is an unsecured claim. A claim may be partly secured and partly unsecured if the property on which a creditor has a lien is not worth enough to pay the creditor in full.

Unsecured Priority Claim

Certain types of unsecured claims are given priority, so they are to be paid in bankruptcy cases before most other unsecured claims (if there is sufficient money or property available to pay these claims). The most common types of priority claims are listed on the proof of claim form. Unsecured claims that are not specifically given priority status by the bankruptcy laws are classified as *Unsecured Nonpriority Claims*.

Items to be completed in Proof of Claim form (if not already filled in)

Court, Name of Debtor, and Case Number:

Fill in the name of the federal judicial district where the bankruptcy case was filed (for example, Southern District of New York), the name of the debtor in the bankruptcy case, and the bankruptcy case number. If you received a notice of the case from the court, all of this information is near the top of the notice.

Information about Creditor:

Complete the section giving the name, address, and telephone number of the creditor to whom the debtor owes money or property, and the debtor's account number, if any. If anyone else has already filed a proof of claim relating to this debt, if you never received notices from the bankruptcy court about this case, if your address differs from that to which the court sent notice, or if this proof of claim replaces or changes a proof of claim that was already filed, check the appropriate box on the form.

1. Basis for Claim:

Check the type of debt for which the proof of claim is being filed. If the type of debt is not listed, check "Other" and briefly described the type of debt. If you were an employee of the debtor, fill in your social security number and the dates of work for which you were not paid.

2. Date Debt Incurred:

Fill in the date when the debt first was owned by the debtor.

3. Court Judgments:

If you have a court judgment for this debt, state the date the court entered the judgment.

4. Classification of Claim

Secured Claim

Check the appropriate place if the claim is a secured claim. You must state the type and value of property that is collateral for the claim, attach copies of the documentation of your lien, and state the amount past due on the claim as of the date the bankruptcy case was

filed. A claim may be partly secured and partly unsecured. (See DEFINITIONS, above).

Unsecured Priority Claim

Check the appropriate place if you have an unsecured priority claim, and state the amount entitled to priority. (See DEFINITIONS, above). A claim may be partly priority and partly nonpriority if, for example, the claim is for more than the amount given priority by the law. Check the appropriate place to specify the type of priority claim. Claims entitled to administrative priority under 11 U.S.C. § 503(b)(9) should be asserted by filling in the appropriate information on this Proof of Claim form. All other administrative claims must be asserted by an appropriate "request" under 11 U.S.C. § 503(a) and should not be asserted on this Proof of Claim form.

Unsecured Nonpriority Claim

Check the appropriate place if you have an unsecured nonpriority claim, sometimes referred to as a "general unsecured claim". (See DEFINITIONS, above). If your claim is partly secured and partly unsecured, state here the amount that is unsecured. If part of your claim is entitled to priority, state here the amount not entitled to priority.

5. Total Amount of Claim at Time Case Filed:

Fill in the total amount of the entire claim. If interest or other charges in addition to the principal amount of the claim are included, check the appropriate place on the form and attach an itemization of the interest and charges.

6. Credits:

By signing this proof of claim, you are stating under oath that in calculating the amount of your claim you have given the debtor credit for all payments received from the debtor.

7. Supporting Documents:

You must attach to this proof of claim form copies of documents that show the debtor owes the debt claimed or, if the documents are too lengthy, a summary of those documents. If documents are not available, you must attach an explanation of why they are not available.

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re: DANA CORP.,

Debtor.

No. 06-10354 (BRL)

**PROOF OF CLAIM OF THE UNITED STATES ON BEHALF OF
THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY,
THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION OF THE
DEPARTMENT OF COMMERCE, AND THE DEPARTMENT OF INTERIOR
ACTING THROUGH THE FISH AND WILDLIFE SERVICE**

1. This Proof of Claim is filed by the Attorney General of the United States at the request of the United States Environmental Protection Agency ("EPA"), National Oceanic and Atmospheric Administration ("NOAA") of the Department of Commerce, and the Department of Interior acting through the Fish and Wildlife Service ("FWS"). The Attorney General is authorized to make this Proof of Claim on behalf of the United States. This Proof of Claim relates to the environmental liabilities of Debtor Dana Corp. ("Debtor" or "Dana") to the United States for:

(a) the recovery of response costs incurred and to be incurred by EPA under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"),

42 U.S.C. §§ 9601-9675, in connection with the following Facilities: (1) the Tremont City Landfill Superfund Site in Tremont City, Ohio; (2) the Main Street Well Field Superfund Site in Elkhart, Indiana; (3) the Lakeland Landfill Disposal Services, Inc. Superfund Site in Claypool, Indiana; (4) the West Highway 6 & Highway 281 Superfund Site in Hastings, Nebraska; and (5) the Cornell-Dubilier Electronics, Inc. Superfund Site in South Plainfield, New Jersey;

(b) the recovery of civil penalties and punitive damages and stipulated penalties under CERCLA for violations of administrative orders issued by EPA with respect to the Cornell-Dubilier Electronics, Inc. Superfund Site in South Plainfield, New Jersey;

(c) the recovery of damages for injury to, destruction of, or loss of natural resources, under the trusteeship of the United States, including the reasonable costs of assessing such injury, destruction or loss, under Section 107 of CERCLA, 42 U.S.C. § 9607, with respect to the Cornell-Dubilier Electronics, Inc. Superfund Site, located in South Plainfield, New Jersey; and

(d) the recovery of civil penalties under the Clean Water Act, 33 U.S.C. §§ 1251 et seq. ("CWA") with respect to violations at a facility located at 2051 South Harvey Street, Muskegon, Michigan ("Muskegon Facility"). In addition, with

respect to equitable remedies that are not within the Bankruptcy Code's definition of "claim," 11 U.S.C. § 101(5), this proof of claim is only filed in protective fashion, as described more fully below.

EPA CLAIMS FOR CERCLA RESPONSE COSTS

2. Under CERCLA, Dana is liable to reimburse all response costs incurred and to be incurred by EPA in connection with response action taken or to be taken at each of the Superfund Sites described below, plus statutory prejudgment interest on such costs, as follows:

(a) Each Site is a "Facility" within the meaning of Section 101(9) of CERCLA, 42 U.S.C. § 9601(9).

(b) Dana is liable to the United States pursuant to Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), for response costs incurred or to be incurred by the United States with respect to each of the Facilities because it is the owner or operator (or legal successor to an owner or operator) of the respective Facility, was the owner or operator (or legal successor to an owner or operator) of the respective Facility at the time of disposal of hazardous substances, and/or was an arranger (or legal successor to an arranger) for disposal or treatment of hazardous substances that it owned or possessed at the respective Facility. There have been "releases" and/or "threatened releases" of "hazardous substances" at each Facility, within the meaning of CERCLA. Response costs have been and will be incurred

by EPA in responding to "releases" at each Facility not inconsistent with the National Contingency Plan promulgated pursuant to Section 105 of CERCLA, 42 U.S.C. § 9605, and set forth at 40 C.F.R. Part 300, as amended. As noted below, some of the Facilities are on the National Priorities List established pursuant to Section 105 of CERCLA, 42 U.S.C. § 9605.

(c) Liability under CERCLA is strict, and each responsible party is jointly and severally liable to the United States unless the responsible party demonstrates that the harm is divisible among responsible parties. Other potentially responsible parties may along with Dana also be jointly and severally liable to the United States under CERCLA with respect to the Facilities discussed below.

Tremont City Landfill Superfund Site

3. The Tremont City Landfill Superfund Site is an approximately 80-acre inactive landfill located at 3108 Snyder-Domer Road in Tremont City, German Township, Clark County, Ohio ("Tremont Facility"). The Tremont Facility is comprised of three facilities: a closed 8.5 acre portion of the Site that operated from 1976 to 1979, as a licensed landfill for the disposal of barreled or drummed wastes ("Barrel Disposal Facility"); a closed

56 acre sanitary landfill; and a closed 14-to-15 acre closed oil recycling hazardous waste storage and transfer facility.

4. Between 1976 and 1979, approximately 50,000 drums of industrial waste and approximately 52,000 gallons of bulk liquids of sludge were disposed of at the Barrel Disposal Facility.

5. Documents maintained by the owner/operators of the Tremont Facility establish that Dana arranged for disposal or treatment of hazardous substance-containing sludge at the Barrel Disposal Facility.

6. There have been actual and threatened releases of hazardous substances at the Tremont Facility. Soil sampling results obtained by U.S. EPA and Ohio EPA confirmed that the soil at the Barrel Disposal Facility had elevated levels of inorganic compounds, such as arsenic, cyanide and lead; and elevated levels of organic compounds, such as xylene, toluene and methylene chloride. Additionally, groundwater sampling results revealed elevated levels of volatile organic compounds, such as acetone and chlorofluorocarbons, in groundwater or seeps underneath or down-gradient of the Barrel Disposal Facility; and elevated levels of inorganic compounds, such as arsenic and lead, in groundwater near or down-gradient of Barrel Disposal Facility.

7. In response to the actual and threatened releases of hazardous substances at the Tremont Facility, EPA has incurred, and will continue to incur, response costs that are not inconsistent with the National Contingency Plan, promulgated under Section 105 of CERCLA, 42 U.S.C. § 9605, and set forth at 40 C.F.R. Part 300. In October 2002, EPA entered into an Administrative Order on Consent (AOC) with 15 parties with respect to the Barrel Disposal Facility, in which seven parties agreed to perform the work required for a remedial investigation and feasibility study, and eight parties, including Dana, paid a sum into a fund as their share of the cost for the work to be performed.

8. EPA has incurred a total of approximately \$430,000 in unreimbursed response costs, not covered by the AOC, with respect to the Barrel Disposal Facility, not including prejudgment interest, and, although the remedial investigation and feasibility study at the Barrel Disposal Facility is nearly complete, EPA presently estimates that the cost for future remedial activities at the Barrel Disposal Facility may be approximately \$7,650,000.

9. Because Dana arranged for disposal or treatment of hazardous substances (or arranged for transport of hazardous substances for disposal or treatment) at the Barrel Disposal Facility, within the meaning of Section 107(a)(3) of CERCLA, 42 U.S.C. § 9607(a)(3), Dana is jointly and severally liable to the United States for all unreimbursed response costs incurred

and to be incurred by the United States in connection with the Barrel Disposal Facility, plus prejudgment interest on such costs. The United States hereby asserts a claim against Dana for all unreimbursed past and future response costs (plus interest) for the Barrel Disposal Facility, which are currently estimated to be approximately \$8,080,000.

Main Street Well Field Superfund Site

10. The Main Street Well Field Superfund Site is located at or near 942 N. Main Street in Elkhart, Elkhart County, Indiana, and covers approximately 48 acres with respect to the Well Field, as well as all surrounding areas of groundwater contamination that flows or is drawn into the Main Street Well Field, and all contaminated soil contributing to that groundwater contamination, which encompasses various industrial acreage ("Main Street Facility").

11. There have been actual and threatened releases of hazardous substances at the Main Street Facility. Groundwater monitoring data and soil sampling data obtained by U.S. EPA revealed extensive groundwater and soil contamination at the Facility, including several "hot spots" on the east side of the well field as a result of disposal and/or spillage of solvents

used in degreasing operations, which were owned and operated by Durakool, Inc. ("Durakool") and Excel Corp.

12. EPA issued a Unilateral Administrative Order (UAO), Docket No. V-W-92-C-140, on February 20, 1992, as modified on April 30, 1992, to nine responsible parties, including Durakool as a then-present owner and operator of the Main Street Facility. Under the UAO, Durakool was required to, *inter alia*, implement a groundwater monitoring and reporting program on its respective property on the east side of the well field and reimburse EPA all response costs incurred in overseeing Durakool's implementation of its respective requirements under the UAO or in performing any response action which Durakool failed to perform in compliance with the UAO.

13. On information and belief Dana acquired Durakool or its successor(s), and assumed Durakool's liabilities with respect to Main Street Facility under the UAO since approximately September 1992.

14. In response to the actual and threatened releases of hazardous substances at the Main Street Facility, EPA has incurred, and will continue to incur, response costs that are not inconsistent with the National Contingency Plan, promulgated under Section 105 of CERCLA, 42 U.S.C. § 9605, and set forth at 40 C.F.R. Part 300. Through July 31, 2006, EPA has incurred \$203,735.15, not including interest, in unreimbursed oversight costs with respect to Dana's obligations under the UAO, and EPA

presently estimates that it will likely incur at least \$250,000 in future response costs overseeing Dana's obligations under the UAO.

15. As a legal successor to an owner or operator of the Main Street Facility at the time of disposal of hazardous substances, within the meaning of Section 107(a)(2) of CERCLA, 42 U.S.C. § 9607(a)(2), Dana is jointly and severally liable to the United States for all unreimbursed response costs incurred and to be incurred by the United States in connection with the Main Street Facility Facility, plus prejudgment interest on such costs. The United States hereby asserts a claim against Dana for all unreimbursed past and future response costs (plus interest) for the Main Street Facility, which are currently estimated to be at least \$453,735.15.

16. As discussed below (in the Section "Injunctive Obligations Under Environmental Statutes") this Proof of Claim is filed in a protective manner with respect to Dana's obligation to perform work with respect to the Main Street Facility, including, but not limited to, under the UAO. EPA presently estimates that it will cost Dana and other jointly and severally liable parties approximately \$600,000 to complete response action under the UAO.

Lakeland Landfill Disposal Services, Inc., Superfund Site

17. The Lakeland Landfill Disposal Services, Inc., Superfund Site is an approximately 39-acre inactive landfill located in the City of Claypool, Kosciusko County, Indiana ("Lakeland Facility").

18. During its operation as a landfill from 1974-1978, a multitude of hazardous substances were disposed of at the Lakeland Facility, including approximately 18,000 drums of industrial waste, approximately 8,900 tons of plating sludge, and more than two million gallons of plating waste containing various hydroxide sludges.

19. Records maintained by the State of Indiana and former owners/operators of the Lakeland Facility establish that Dana arranged for disposal or treatment of plating sludge and waste, among other hazardous substances, at the Facility.

20. In March 1989, EPA listed the Lakeland Facility on the National Priorities List. In March 1989, EPA also issued an administrative order on consent in which Dana and three other responsible parties agreed to conduct a remedial investigation to determine the full extent of releases of hazardous substances from the Facility and perform a feasibility study to evaluate alternatives for remedial action to prevent or mitigate the migration or releases of hazardous substances from the Facility.

21. In April 1994, EPA issued a Unilateral Administrative Order (UAO) to Dana and four other responsible parties, as entities that arranged for the disposal of hazardous

substances at the Facility. The UAO required Dana and the other responsible parties to perform the remedial action necessary to address the soil and groundwater contamination at the Facility as a result of disposal of hazardous substances. Under the UAO, Dana and the other responsible parties are still required to perform long-term operation and maintenance work, such as treatment, sampling and analysis of groundwater, to ensure that critical clean-up standards are ultimately obtained and implement institutional controls.

22. In response to the actual and threatened releases of hazardous substances at the Lakeland Facility, EPA has incurred, and will continue to incur, response costs that are not inconsistent with the National Contingency Plan, promulgated under Section 105 of CERCLA, 42 U.S.C. § 9605, and set forth at 40 C.F.R. Part 300. Through November 30, 2005, EPA has incurred approximately \$1,459,000, including prejudgment interest, in unreimbursed response costs in connection with the Lakeland Facility, and EPA presently estimates that it will likely incur at least \$250,000 in future response costs in overseeing the work performed under the UAO by Dana and the other responsible parties.

23. Because Dana arranged for disposal or treatment of hazardous substances (or arranged for transport of hazardous substances for disposal or treatment) at the Lakeland Facility, within the meaning of Section 107(a)(3) of CERCLA, 42 U.S.C. § 9607(a)(3), Dana is jointly and severally liable to the United

States for all unreimbursed response costs incurred and to be incurred by the United States in connection with the Lakeland Facility, plus prejudgment interest on such costs. The United States hereby asserts a claim against Dana for all unreimbursed past and future response costs (plus interest) for the Lakeland Facility, which are currently estimated to be at least \$1,709,000.

24. As discussed below (in the Section "Injunctive Obligations Under Environmental Statutes"), this Proof of Claim is filed in a protective manner with respect to Dana's obligation to perform work with respect to the Lakeland Facility, including, but not limited to, under the UAO. EPA presently estimates that it will cost Dana and other jointly and severally liable parties approximately \$3,000,000 to complete response action under the UAO.

West Highway 6 & 281 Hastings Superfund Site

25. The West Highway 6 & 281 Superfund Site is located near the intersection of West Highway 6 & Highway 281, with a physical address of 1900 Summit Avenue in Hastings West Industrial Park on approximately 12.5 acres in Hastings, Nebraska ("Hastings Facility").

26. As the owner of the Hastings Facility, Dana manufactured a variety of cast piston rings for internal combustion engines at its Facility from approximately 1978-2002. During the manufacturing process, Dana used volatile organic

compounds (VOC), such as tetrachloroethylene (PCE), as a degreasing solvent to clean the piston rings.

27. There have been actual and threatened releases of hazardous substances at the Hastings Facility. In the 1980s, Dana notified EPA of two releases of PCE into the environment at the Facility, and of another such release in 1998. In 1998, Dana performed soil sampling and groundwater sampling which showed high levels of PCE contamination in the soil and in the groundwater, along with other hazardous substances. Subsequent investigations by Dana confirmed these findings, and investigations conducted by the State of Nebraska and EPA found further evidence of significant VOC groundwater contamination that extends from the Facility and continues for approximately two miles in an easterly direction.

28. In November 2003, Dana and the Nebraska Department of Environmental Quality (NDEQ) entered into Memorandum of Agreement under a voluntary state program, which required Dana to perform response action at the Facility, including the installation and operation of systems to address contaminated soil and groundwater.

29. In December 2003, Dana sold the Hastings Facility to TAZ, LLC. But, as part of this sale, Dana was granted an easement to enter the property for purposes of continuing to perform the remediation activities and Dana retained ownership of

the systems being used to treat the soil and groundwater contamination, and the building that housed such treatment systems.

30. In November 2005, NDEQ terminated the Memorandum of Agreement with Dana due to Dana's unwillingness to perform all response action required by NDEQ.

31. In April 2006, EPA listed the Hastings Facility on the the National Priorities List.

32. In response to the actual and threatened releases of hazardous substances at the Hastings Facility, EPA has incurred, and will continue to incur, response costs that are not inconsistent with the National Contingency Plan, promulgated under Section 105 of CERCLA, 42 U.S.C. § 9605, and set forth at 40 C.F.R. Part 300. Through July 22, 2006, EPA has incurred \$356,200.64, not including prejudgment interest, in unreimbursed response costs in connection with the Hastings Facility. EPA expects substantial additional response activities to fully assess and address contamination from the release of hazardous substances at or in connection with the Hastings Site over the next 20 years. EPA presently estimates that the cost for such future response activities will be approximately \$7,894,000.

33. Because Dana was an owner and operator of the Hastings Facility at the time of disposal of hazardous substances, within the meaning of Section 107(a)(2) of CERCLA, 42 U.S.C. § 9607(a)(2), (in addition to still retaining ownership

of the building where the treatment systems are located), Dana is jointly and severally liable to the United States for all unreimbursed response costs incurred and to be incurred by the United States in connection with the Hastings Facility, plus prejudgment interest on such costs. The United States hereby asserts a claim against Dana for all unreimbursed past and future response costs (plus interest) for the Hastings Facility, which are currently estimated to be at least \$8,243,000.

Cornell-Dubilier Electronics, Inc. Superfund Site

34. The Cornell-Dubilier Electronics, Inc. Superfund Site is located in South Plainfield, New Jersey, and consists of a former manufacturing property containing 18 buildings on a 26-acre parcel; adjacent contaminated residential and commercial properties; contaminated groundwater and associated soil vapor; and contaminated sediments in the Bound Brook corridor ("CDE Facility").

35. Dana and its corporate predecessor, Spicer Manufacturing Corp. (collectively Dana), owned the manufacturing property that is part of the Facility from approximately 1914 until 1956. From approximately 1936 until 1956, Dana leased the manufacturing property to Cornell-Dubilier Electronics, Inc. ("CDE"), where CDE operated and manufactured electronic components, including capacitors. During the period when Dana owned a portion of the Facility and leased it to CDE, CDE used polychlorinated biphenyls ("PCBs") and chlorinated organic solvents in manufacturing processes and disposed of PCB-contaminated materials and other hazardous substances.

36. There have been actual and threatened releases of hazardous substances at the CDE Facility. Soil, sediment and surface water sampling and analysis conducted by EPA revealed that elevated levels of PCBs, volatile organic compounds and inorganics are present at the CDE Facility.

37. In July 1998, EPA listed the CDE Facility on the National Priorities List. The CDE Facility has since been divided into four operable units ("OUs" and individually "OU1" through "OU4").

38. EPA issued the Record of Decision ("ROD") for OU1 on September 30, 2003. The OU1 ROD calls for the excavation of soils contaminated with PCBs from certain residential and commercial properties, and the investigation of additional

properties to determine which such properties will require remediation. After Dana declined to make an offer to reimburse EPA's past costs or perform the OU1 work, in August 2004, EPA issued a unilateral administrative order ("UAO") CERCLA-02-2004-2030 to Dana (and two other parties) to perform the OU1 remedial design and remedial action ("RD/RA"). The Debtor refused to perform the work required under the UAO. As discussed below (in the Section "Injunctive Obligations Under Environmental Statutes"), this Proof of Claim is filed in a protective manner with respect to Dana's obligation to perform work under the UAO. EPA estimates that it will cost Dana and other jointly and severally liable parties \$3.5 million to perform the OU1 RD/RA.

39. On September 30, 2004, EPA issued the ROD for OU2, which addresses contaminated soil and buildings at the former manufacturing property that is part of the CDE Facility. The remedy for OU2 calls for excavation of some contaminated soils and capping of the remainder and demolition of contaminated buildings. The most heavily contaminated soils either will be treated on-site using low temperature thermal desorption or disposed of off-site. Currently, EPA is performing the remedial design for OU2. The cost estimate for performance of the OU2 RD/RA is \$89.5 million.

40. OU3 addresses contaminated groundwater and associated soil vapor at the CDE Facility. In July 2005, the Debtor entered into an administrative order on consent ("AOC"), CERCLA-02-2005-2024, to perform the remedial investigation/feasibility study ("RI/FS") for OU3. EPA was nearing completion of its review of the draft work plan prepared by the Debtor, when it was advised by the Debtor, by a letter dated May 1, 2006, that the Debtor would cease compliance with the AOC. As discussed below (in the Section "Injunctive Obligations Under Environmental Statutes"), this Proof of Claim is filed in a protective manner with respect to Dana's obligation to perform work. Since investigations at the CDE Facility are continuing and the OU3 remedy has not yet been selected, the cost to Dana and other jointly and severally liable parties of the OU3 work is uncertain at this time, but EPA currently estimates that remedial investigation and RD/RA work with respect to OU3 will cost Dana and other jointly and severally liable parties approximately \$25 million.

41. OU4 at the CDE Facility addresses the contaminated sediments in the Bound Brook corridor. Since investigations at the Facility are continuing and the final remedy has not yet been selected, the cost of the OU4 work is uncertain at this time, but

EPA currently estimates that remedial investigation and RD/RA work with respect to OU4 will cost approximately \$55 million.

42. In response to the actual and threatened releases of hazardous substances at the CDE Facility, EPA has incurred, and will continue to incur, response costs that are not inconsistent with the National Contingency Plan, promulgated under Section 105 of CERCLA, 42 U.S.C. § 9605, and set forth at 40 C.F.R. Part 300. As of July 14, 2006, the United States has incurred at least \$7 million, not including prejudgment interest, in unreimbursed response costs in connection with the CDE Facility.

43. EPA expects substantial additional response activities will be necessary to fully assess and address contamination from the release of hazardous substances at or in connection with the CDE Facility. As noted above, EPA presently estimates that the cost for performance of the OU1 RD/RA is \$3.5 million, and that the cost for performance of the OU2 RD/RA is \$89.5 million. Investigations at the CDE Facility are continuing with respect to OU3 and OU4 and, although the cost of the OU3 and OU4 work is uncertain at this time, EPA presently estimates that remedial investigation and RD/RA work with respect to OU3 and OU4 will cost approximately \$80 million. See Paragraphs 40 and 41, supra (\$25 million plus \$55 million). In addition, if EPA (as opposed to a responsible party) performs the work at the

Facility, EPA estimates that it will incur indirect costs of approximately \$50 million.

44. Because Dana was an owner and/or operator of the CDE Facility at the time of disposal of hazardous substances, within the meaning of Section 107(a)(2) of CERCLA, 42 U.S.C. § 9607(a)(2), Dana is jointly and severally liable to the United States for all unreimbursed response costs incurred and to be incurred by the United States in connection with the CDE Facility, plus prejudgment interest on such costs. The United States hereby asserts a claim against Dana for all unreimbursed past and future response costs (plus interest) for the CDE Facility, and a protective claim for Dana's performance of work under the UAO and AOC.

CERCLA UAO AND AOC PENALTY CLAIMS - CDE FACILITY

45. By this Proof of Claim, EPA also asserts a claim for violation of the UAO issued to the Debtor (and other PRPs) in August 2004 for the performance of the OU1 RD/RA (CERCLA-02-2004-2030) at the CDE Facility for civil penalties and punitive damages.

46. Section 106(b) of CERCLA, 42 U.S.C. § 9606, as amended by Section 4 of the Federal Civil Penalties Inflation Adjustment Act of 1990, 28 U.S.C. § 2461, as amended by the Debt Collection Act of 1996, 31 U.S.C. § 3701, and codified at 40 C.F.R. Part 19, provides that Debtor is subject to civil penalties of up to \$32,500 per day for each day after March 15,

2004, in which Debtor, without sufficient cause, willfully violates, or fails or refuses to comply with any UAO issued by EPA under Section 106. Section 107(c)(3) of CERCLA, 42 U.S.C. § 9607(c)(3), further provides that Debtor may be liable to the United States for punitive damages in "an amount at least equal to, and not more than three times, the amount of any costs incurred by [EPA]," where Debtor, as a liable person under Section 107, fails without sufficient cause to properly provide removal or remedial action required pursuant to an order issued under Section 104 or 106 of CERCLA.

47. Civil penalties of up to \$32,500 a day began accruing on September 29, 2004, when the Debtor stated its refusal to perform, and continued accruing for 404 days until November 7, 2005, when EPA mobilized to perform the remedial action. The total amount of these civil penalties is up to \$13,130,000 (\$32,500 times 404 days). Although punitive damages under Section 107(c)(3) of CERCLA cannot be calculated until EPA has completed the OUI RD/RA, this section provides that Debtor may be liable for punitive damages in "an amount at least equal to . . . the amount of any costs incurred by [EPA]," which, as stated above, are currently estimated to be \$3.5 million.

48. By this Proof of Claim, EPA also asserts a claim for stipulated penalties for violation of the AOC CERCLA-02-2005-2024 for OU3, which the Debtor recently ceased performing. Specifically, the AOC provides for a stipulated penalty of \$200,000, where, as here, Debtor has stopped performing the work required under the AOC and EPA has had to take over the work that the Debtor was to perform under the AOC.

CERCLA NATURAL RESOURCES DAMAGES CLAIM

49. Section 107(f) of CERCLA, 42 U.S.C. § 9607(f), provides for recovery of damages for injuries to, destruction of, or loss of natural resources caused by releases of hazardous substances to the environment. Injured resources may include, but are not limited to, birds, mammals, fish and other wildlife, plants, and their supporting habitats at or near the facilities. CERCLA specifies that the United States, acting through NOAA and FWS, among other agencies, is authorized to act on behalf of the public as a trustee of natural resources to recover such damages, as well as the reasonable costs of assessing the injury, destruction, or loss (referred to herein collectively as "natural resource damages").

50. As an owner and/or operator of the CDE Facility at the time of disposal of hazardous substances, as discussed above, Dana is liable to the United States for injuries to natural resources caused by the release of hazardous substances at the CDE Facility, including in Bound Brook and its

floodplain emergent and forested wetlands, from the former CDE manufacturing property down to and including New Market Pond and the tributaries to Bound Brook and their floodplains, including Spring Lake, for the period beginning in 1981 and continuing until restoration is expected to reach full functionality.

51. Under CERCLA and the governing natural resource damage assessment regulations, the measure of damages includes the cost to restore, replace, or acquire the equivalent of the injured natural resources, plus the reasonable costs of assessing the damages. As remedial action has not been completed, the eventual amount of natural resource damages, including the reasonable costs of assessing the existence and extent of such damages, is unknown. However, applying standardized estimation techniques, the United States presently estimates that the aforementioned natural resource damages are between \$20 million and \$37 million. This estimate includes approximately \$1 million of damages to recreational fishing due to the fish consumption advisories on the Bound Brook corridor. It also includes a range of \$19 million to \$36 million in damages for ecological injury in the referenced area. Finally, the claim includes costs incurred, and to be incurred, by NOAA and FWS associated with assessment of the natural resource damages at the Facility. This Proof of Claim is filed for these natural resource damages and assessment costs as well. Other potentially responsible parties may, along

with the Debtor, also be jointly and severally liable to the United States under CERCLA with respect to natural resource damages at the Site.

CLEAN WATER ACT PENALTY CLAIMS

52. The basis for Debtor's liability with respect to the Muskegon Facility in Muskegon, Michigan is as follows:

(a) Section 307(d) of the CWA, 33 U.S.C. § 1317(d), prohibits any owner or operator of any source from introducing pollutants into public owned treatment works ("POTWs") in violation of any effluent standard or prohibition or pretreatment standard promulgated under Section 307 of the CWA.

(b) Pursuant to Section 307(b) of the CWA, 33 U.S.C. § 1317(b), EPA has promulgated pretreatment standards applicable to industrial users in certain industry sectors (40 C.F.R. Chapter I, Subchapter N).

(c) At all relevant times, the Debtor was subject to federal categorical pretreatment standards for Metal Finishing and Metal Molding and Casting, set forth at 40 C.F.R. Part 433, Subpart A, and Part 464, Subpart C, which apply to discharges of process wastewater to POTWs resulting from metal finishing operations and ferrous casting operations, respectively.

(d) On numerous occasions between January 1999 and June 2000, the Debtor discharged wastewater from metal finishing operations and/or metal molding and casting operations to the Muskegon POTW in violation of applicable federal categorical

pretreatment limits set forth in 40 C.F.R. Part 433, Subpart A, and/or Part 464, Subpart C for several pollutants, including, but not limited to, copper, lead and zinc.

(e) Pursuant to Sections 309(b) and (d) of the CWA, 33 U.S.C. § 1319(b) and (d), as amended by Section 4 of the Federal Civil Penalties Inflation Adjustment Act of 1990, 28 U.S.C. § 2461, as amended by the Debt Collection Act of 1996, 31 U.S.C. § 3701, and codified at 40 C.F.R. Part 19, the Debtor is subject to civil penalties of up to \$27,500 per day for each violation that occurred from January 31, 1997, through March 15, 2004.

(f) On or about January 19, 2006, Dana executed a signature page for a proposed Consent Decree that would have settled the United States' civil claims against Dana at the Muskegon Facility under the CWA, subject to the terms provided therein, which included Dana's payment of a civil penalty in the amount of \$145,000.00. Dana filed for bankruptcy before the proposed Consent Decree was approved and executed by the appropriate officials for the United States and lodged and entered as a final judgment in district court. On this basis, therefore, Debtor is liable to the United States for a civil penalty of at least \$145,000 for these violations or such other amount as determined by a court or tribunal with jurisdiction.

INJUNCTIVE OBLIGATIONS UNDER ENVIRONMENTAL STATUTES

53. Dana has injunctive obligations to comply with environmental requirements applicable to its facilities, including, but not limited to, obligations to perform environmental assessment and remediation work at its facilities under: (1) an Administrative Consent Order under Section 3008(h) of RCRA relating to its facility located in Antwerp, Ohio, EPA Docket No. RCRA-05-2003-0009; and (2) remaining work requirements under CERCLA administrative orders described above.

54. Dana may have other injunctive obligations to remedy environmental violations and/or releases of hazardous materials at its facilities, including, but not limited to, the environmental law violations and releases of hazardous materials at sites owned by Dana as listed in Dana's response to Questions 17.a, 17.b. and/or 17.c and other parts of its Statement of Financial Affairs and Schedules.

55. It is the United States' position that it is not required to file a proof of claim with respect to Dana's injunctive obligation to comply with work requirements under administrative orders or consent decrees, and to comply with other environmental requirements imposed by law. Dana and any reorganized debtor(s) must comply with the mandatory injunctive requirements of those orders and decrees, and must comply with other environmental requirements imposed by law.

56. Regulatory obligations are mandatory injunctive obligations with which Dana must comply, and for which proofs of claim need not be filed under the Bankruptcy Code. Nevertheless,

this claim is filed in a protective fashion only to protect the United States' rights with respect to such obligations of Dana. The United States reserves the right to take future actions to enforce any such obligations of Dana. Nothing in this Proof of Claim constitutes a waiver of any rights of the United States or an election of remedies.

DEBTOR-OWNED SITES

57. Dana also has or may in the future have environmental liabilities for properties that are part of its bankruptcy estate and/or for the migration of hazardous substances from property of its bankruptcy estate. In accordance with 28 U.S.C. § 959, Dana is required to comply with non-bankruptcy law, including all applicable environmental laws and permits, in managing and operating its property, such as the obligation to secure and maintain financial assurance with respect to any hazardous waste treatment, storage, management and/or disposal facility under the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. §§ 6901-6992k, and regulations promulgated thereunder, for which it is listed as the owner or operator in the applicable RCRA permit. Upon confirmation of any Plan of Reorganization, reorganized Dana will be liable as owner or operator of property in accordance with applicable environmental law. The United States is not required to file a proof of claim relating to property of the estate other than for response costs incurred prior to the petition date. The United States reserves the right to file an application for

administrative expense or take other appropriate action in the future with respect to property of the estate.

ADDITIONAL PROOF OF CLAIM TERMS

58. No judgments against the Debtor have been rendered on this Proof of Claim.

59. No payments have been made by the Debtor on this claim.

60. This claim reflects the known liability of the Debtor to the United States on behalf of EPA, NOAA and FWS. The United States reserves the right to amend this claim to assert subsequently discovered liabilities. This proof of claim is without prejudice to any right under 11 U.S.C. § 553 to set off, against these claims, debts owed (if any) to the Debtor by these or any other federal agency.

61. The United States has not perfected any security interest on its claim against the Debtor.

62. This claim is filed as a general unsecured claim except to the extent of any secured/trust interest in insurance proceeds received by the Debtor on account of environmental claims of the United States, and to the extent administrative expense priority exists related to property of the estate, post-petition violations of law, or otherwise. The United States will

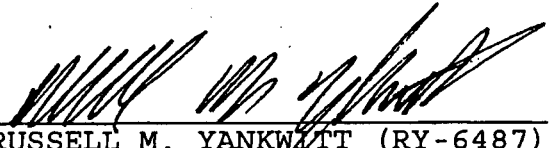
file any application for administrative expense priority at the appropriate time.

Dated: New York, New York
September 21, 2006

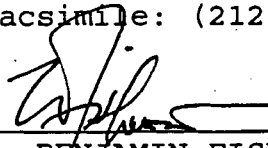
Respectfully submitted,

MICHAEL J. GARCIA
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Southern District of New York

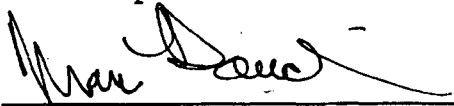
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Dana Corp.